

EXCERPTS FROM CURRENT INTELLIGENCE DIGEST

LATIN AMERICA

21. Guatemalan officer warns army will not defend "untenable position" created by Communists: The Guatemalan army will not defend "the untenable position" created by the Communists in Guatemala. This warning was reported voiced by Lieutenant Colonel Jose A. Lara, assistant G-4 on the army general staff, to Francisco Morazan, President Arbenz' personal secretary, during a heated argument on 27 May. The fairly reliable source of the report considered it "astounding" that Lara had the temerity to speak in such strong terms to a close aide of Arbenz.

Lara is reported to have added that the army had no intention of permitting arms from the recent Orbit shipment to get into Communist hands, since this would "jeopardize the army's political stand." He said the arms were of German manufacture, dating from 1942-1944, and were thus "antiquated." (S CIA PD 182, Guatemala City C-2, 27 May 54)

Comment: This report reinforces previous indications that the Arbenz administration might not be able to secure the united backing of the army in a crisis in which the issue of Communism was clearly drawn. At least two other Guatemalan officers more influential than Lara have indicated over the past year their alarm at the arming of labor and other groups under Communist control.

This is the first reported description from a Guatemalan army officer of the arms cargo which arrived in Guatemala from the Orbit on 15 May.

22. Guatemalans reported "planting" arms to "prove" American plot: The Guatemalan government is "planting" American arms on or near United Fruit Company properties on the Caribbean coast and plans to "discover" the caches within 30 days, according to a usually reliable source who received his information from an untested contact. The arms and accompanying false documentation will reportedly be used to "prove" United Fruit Company complicity in a plot against the Arbenz regime. Subsequently, the government plans to attack the United States violently and may expropriate the company. (S CIA PD 095, Guatemala City B/F-2, 23 May 54)

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